



# **Headquarters Policy Flash**

**FLASH 2002-22**

DATE: July 11, 2002  
TO: Procurement Directors  
FROM: Office of Procurement and Assistance Policy, ME-61  
Office of Procurement and Assistance Management

SUBJECT: **Federal Acquisition Circular (FAC) 2001-08 and Advanced Notice of Proposed Rulemaking: Section 508 Contract Clause (FAR Case 2001-033)**

SUMMARY: On June 27, 2002, FAC 2001-08 was published in the Federal Register at 67 FR 43512. Also, provided for your review and comment is a summary of the advanced notice of proposed rulemaking published in the Federal Register on June 27, 2002, at 67 FR 43524. Contracting personnel should review the details of each item in the full text of the FAC and the advance notice of proposed rulemaking.

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**A. Federal Acquisition Circular (FAC) 2001-08**

The following four items are in FAC 2001-08, which was published in the Federal Register on June 27, 2002, at 67 FR 43512. *The effective date of each item is July 29, 2002.* The FAC is available via the internet at <http://www.arnet.gov/far/facsframe.html>

**1. Definition of “Claim” and Terms Relating to Termination (FAR Case 2000-406)**

This final rule in no way changes the intended purpose of FAR text or clauses. However, this rule-

- ➡ Clarifies the applicability of definitions by revising and relocating language in FAR 33.201 Definitions, 49.001, Definitions, and 17.103, Definitions to FAR 2.101 Definitions;
- ➡ Eliminates redundant or conflicting definitions by-
  - ▶ Adding a definition to FAR 2.101, Definition and new language at FAR 17.104, General, explaining the distinction between termination for convenience and cancellation as deleted from the definition of Termination of convenience;
  - ▶ Revises FAR 33.213(a), Obligation to Continue Performance, by clarifying distinction of Claims arising under and relating to a contract; and
  - ▶ Provide consistency in the definition of Claims as discussed in FAR clause 52.233-1, Disputes and FAR 2.101 Definitions.
- ➡ Streamlines the process for locating definitions by amending FAR 2.101, Definitions.

**2. Federal Supply Schedule Order Disputes and Incidental Items (FAR Case 1999-614)**

The final rule amends FAR Part 8, Required Sources of Supplies and Services to-

- ➡ incorporate policies for disputes in schedule contracts; and

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- ➡ Remove the requirement to notify GSA when a schedule contractor refuses to honor an order placed by a Government contractor.

**3. Relocation Costs (FAR Case 1997-032)**

The final rule amends FAR 31.205-35, Relocation Costs, to-

- ➡ Remove ceilings imposed on individual relocation cost elements;
- ➡ Recognize the increasing commercial practice of reimbursing lump-sum relocation costs in certain situations;
- ➡ Make allowable payments for employment assistance for spouses and increased employee income FICA taxes incident to allowable reimbursed relocation costs;
- ➡ Increase the ceiling for allowable miscellaneous relocation costs; and
- ➡ Make a number of editorial changes.

**4. Technical Amendments**

The amendments update sections and make editorial changes at FAR 52.202-1, Definitions, 52.212-3, Notice to Supplier, and 52.225-11, Buy American - Construction Materials Under Trade Agreements.

**B. Notice of Proposed Rulemaking**

The following item was published in the Federal Register on June 27, 2002, at 67 FR 43524. The advanced notice of proposed rulemaking is available via the Internet at <http://www.acqnet.gov/far/ProposedRules/2001-033.pdf>

**Section 508 Contract Clause**

The advance notice of proposed rulemaking is issued to determine whether there is a need to change the FAR or acquisition guidance in order to promote a more consistent and effective implementation of Section 508 of the Rehabilitation Act of 1973. Also, respondents are requested to discuss advantages and disadvantages of specific changes deemed necessary to further implement Section 508.

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The Office of Procurement and Assistance Policy will consolidate DOE comments on this advanced notice. Comments are to be forwarded to Denise Wright no later than August 5, 2002.

Questions concerning this Flash should be directed to Denise Wright at (202) 586-6217 or via e-mail at [denise.wright@pr.doe.gov](mailto:denise.wright@pr.doe.gov)



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cc:  
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